

BEFORE

THE PUBLIC SERVICE COMMISSION OF

SOUTH CAROLINA

DOCKET NO. 96-040-W/S - ORDER NO. 96-714

OCTOBER 15, 1996

IN RE: Request of Carolina Water Service, Inc.) ORDER
for Recovery of Costs for Bulk Water and) APPROVING
Sewer Services for River Hills Service) AGREEMENTS
Area in York County, South Carolina.)

This matter comes before the Public Service Commission of South Carolina ("the Commission") on the submission of certain agreements for Commission approval by Carolina Water Service, Inc. ("CWS"). The agreements were submitted pursuant to 26 S.C. Code Ann. Regs. 103-541 and 103-743 (Supp. 1995). The four agreements submitted are entitled (1) Lease of Wastewater Treatment Plant and Facilities (attached hereto as Appendix A), (2) Agreement for Use of Sewerage Force Main (attached hereto as Appendix B), (3) Lease of Real Property and Elevated Storage Tank and Facilities (attached hereto as Appendix C), and (4) Agreement for Use of Water Line (attached hereto as Appendix D). The agreements have not been executed.

Previously, this Commission approved an Agreement dated January 28, 1992, between CWS and York County, South Carolina for the provisions of bulk water and sewer services. By Commission Order No. 96-590, this Commission authorized CWS to adjust its rates and charges to collect from the affected customers in the

River Hills service area the costs associated with the bulk services agreement with York County dated January 28, 1992, in accordance with the provisions of Order No. 96-590 and Order No. 94-484 for service rendered on or after the dates of interconnection of the systems. (Order No. 94-484, dated May 31, 1994, was issued in CWS's most recent general rate case. Order No. 94-484 contained a tariff provision allowing for the "pass-through" of bulk service costs and also contained approved charges, such as Basic Facilities Fee and Distribution Charge, associated with such a "pass-through.")

The four agreements before the Commission for approval are agreements which are necessary to implement the January 28, 1992, bulk services agreement. In fact, the January 28, 1992, bulk services agreement specifically mentions that CWS and the County will enter into the agreements which are before the Commission for approval. The Commission Staff has reviewed the four agreements and informs the Commission that the terms of the four agreements are consistent with the terms of the previously approved January 28, 1992, bulk services agreement.

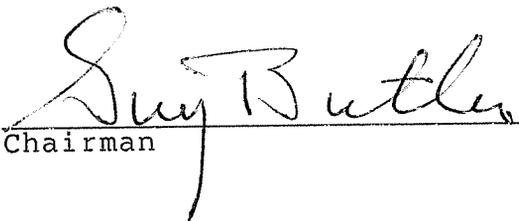
Based upon the previous determinations as contained in Order Nos. 96-590 and Order No. 94-484 and our current review of this matter, the Commission approves the four agreements submitted for Commission approval. The Commission recognizes that these four agreements are necessary components to CWS and York County implementing the bulk service agreement previously approved by this Commission.

IT IS THEREFORE ORDERED THAT:

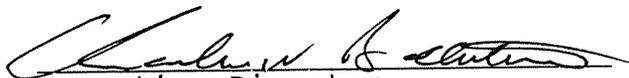
1. The four agreements submitted for approval by CWS and entitled (1) Lease of Wastewater Treatment Plant and Facilities (attached hereto as Appendix A), (2) Agreement for Use of Sewerage Force Main (attached hereto as Appendix B), (3) Lease of Real Property and Elevated Storage Tank and Facilities (attached hereto as Appendix C), and (4) Agreement for Use of Water Line (attached hereto as Appendix D) are hereby approved.

2. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


Chairman

ATTEST:


Executive Director

(SEAL)